

CONFIDENTIAL

GIC --G. NO. 516

AGENT REPORT		DAR-7142																
1. NAME OF SUBJECT OR TITLE OF SUBJECT <u>KAUDER-KLATT, Richard</u> Land Salzburg, Salzburg, Austria		2. DATE SUBMITTED 24 September 1953																
3. REPORT OF FOREIGN		4. CONTROL SYMBOL 0000401892 S-10266 JJM/vo																
<p>On 21 September 1953 Informant 3797 submitted to this Agent an article from Salzburg, Land Salzburg, Austria, newspaper, <u>Salzburger Nachrichten</u> edition of 19 September 1953 concerning SUBJECT. The article, which is entitled "NATO Intelligence Agent Behind Bars", is purportedly an official Salzburg police bulletin regarding the facts behind SUBJECT's recent arrest, plus editorial comment. An English translation of the newspaper article is attached to each copy of this report as EXHIBIT I.</p>																		
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<p>1 AH</p> <p>JOHN J. MAXWELL, S/A GIC</p> <p>3300th CIV. SUP. LIAISON (Salzburg)</p> <p>24 Sept 53</p>																		

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SOURCES METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

US Army

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EXHIBIT 1

Security Information

TRANSLATION

From the Salzburger Nachrichten, dated 19 September 1955

Translated by:
Hildegarda Luepke

NATO INTELLIGENCE AGENT BEHIND SS

Criminal Affair Involving Currency and Gold
Ballot Manager Violated the Law

Two weeks ago the Salzburg criminal police made an arrest, and this newspaper has been requested to maintain silence about the details of this arrest by the Salzburg police department. On the basis of a denunciation by Alexander Szemann, a dancing instructor, Engineer Richard Kauder, the manager of the Hotel Rupertihof and the owner of the firm EMKA, a Salzburg import-export company, was arrested as a suspected embassier. During World War II Kauder was a leading figure in German Intelligence in Sofia, and because of this an Eastern power displayed a great interest in him after the war and attempted unsuccessfully to kidnap him on three occasions. The scene of these kidnap attempts was in St. Gilgen, where Kauder formerly owned an apartment.

The police department disclosed the following bulletin regarding the arrest: On 19 August 1955 dancing instructor Alexander Szemann denounced Richard Kauder, the manager of the Hotel Rupertihof, to the police as an embassier. Szemann also complained that he had entrusted Kauder with possession of jewelry and currency valued at 55,000 AMS. Kauder always managed to postpone the return of these items to Szemann, despite repeated requests to do so. On the basis of an investigation thereupon instituted, it was established that Kauder, manager of the Rupertihof and owner of the export-import firm EMKA, had sold the currency entrusted to him, i.e., 750 US dollars, 8 British pounds, and 2 gold Austrian coins, all valued at 22,650 AMS. Kauder used this money for his own purposes. The remaining jewelry, mainly consisting of South American gold coins weighing 3/4 of a kilo, were used by Kauder as collateral in a local bank for a 35,000 AMS loan that Kauder negotiated at the bank. On 31 August Kauder was placed under arrest and incarcerated at the Land Court jail. Charges were then brought by the Public Prosecutor against Szemann for failure to register his possession of currency and gold with the National Bank in violation of paragraphs 23 and 24 of the currency regulations. So much for the police bulletin.

Engineer Kauder, 55 years of age, is closely associated with a woman 40 years of age who, 15 years ago, was a prima ballerina in Budapest; she was then Szemann's dancing partner. Approximately one year ago she received a letter from Szemann, then in Rome, requesting financial assistance.

EXHIBIT 1 **IS COPY**

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AH 1 to DAR 7142

24 Sept 53

(EXHIBIT I CONT.) *Bayreuth Security Organization*

Kauder thereupon had Szemenn come to Salzburg, saying: "Where two people manage to survive, a third cannot be too much more of a burden". After Szemenn's arrival, Kauder and Szemenn planned to produce a ballet, and an agreement to this effect was duly signed. Kauder agreed at the time to finance the ballet, and he was to receive 33% of all profit, in consideration of his agreement. All of the members of the ballet troupe could thereafter be seen frequently at the Rupertihof, but the tours that they expected to take into foreign countries failed to materialize. In short, the project was a failure. In the meantime, however, Szemenn had entrusted Kauder with possession of 760 US dollars, 8 British pounds, and numerous gold coins which he illegally possessed.

Criminal police investigation disclosed that Kauder pawned some of these items at the Dorotheum pawn shop, redeemed them, and had them partially sold again, while the remainder was in a Salzburg bank as collateral for a 35,000 AMS credit he had been granted by the bank. In addition to this, this newspaper learned that Kauder has evidence to the effect that he has spent 50,000 AMS on Szemenn. To what extent the Rupertihof manager will be found guilty depends upon the worth of the 'evidence' before the court.

To illustrate the political past of engineer Kauder, it should be mentioned that he has boasted to the Austrian police about his activities and former missions as a NATO secret service agent. It is not known to the police now a former German Abwehr operative ever obtained such employment. Should this boast correspond to the facts, the aforementioned events prove that he has been dropped by his bosses.

END OF TRANSLATION

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2

AH 1 to DAR - 7142

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